



# **FRAUD ALERT: GENETIC (DNA) TESTING**

*Revised and Updated Frequently*

**August 1, 2019**

*(original publication date: April 28, 2019)*

Other informative, consumer-related reports are available for free in PDF format on the **Publications** page of [Magnus Omnicorps' website](http://www.magnusomnicorps.com).<sup>1</sup>

---

<sup>1</sup> <http://www.magnusomnicorps.com/home.html>

If your identity has been stolen and or your financial accounts tampered with, report it to the police immediately and go to the [Federal Trade Commission's Identity Theft Resource Center website](#)<sup>2</sup> for step-by-step instructions on what to do next Also see [Financial Crimes Victim Recovery Checklists](#)<sup>3</sup>. You can also check with your respective state's insurance department and attorney general's office for more information and assistance.

For a quick, comprehensive review of this subject, [read this story and watch the video](#)<sup>4</sup> from Scott Hines, Investigative Reporter for "In Your Corner" at KFOR Oklahoma's News 4 in Oklahoma City, OK on May 9, 2019

and

this [story and video](#)<sup>5</sup> from Bob Segall, Investigative Reporter for WTHR channel 13 in Terre Haute, IN on June 11, 2019.

and

this [story and videos](#)<sup>6</sup> from NBC News on July 31, 2019

Also see these fraud alerts from the:

[U.S. Department of Health and Human Services Office of Inspector General \(6-3-2019\)](#)<sup>7</sup>

[Oklahoma Insurance Department \(6-13-2019\)](#)<sup>8</sup>

For many years now, we've all seen the ads on TV and the Internet – DNA testing to determine your ancestry, find long-lost relatives, perform some health DNA screening, etc., all with well-disclosed testing and privacy policies, relatively minimal cost (\$200 or less), etc., and **not** advertised as being paid for by private insurance or Medicare. I am **not** referring to those companies or their services here.

Just like anything else these days, the Medicare program is subject to fraud, waste and abuse, with an emphasis on fraud for the purpose of this report. The Government Accountability Office (GAO) estimates that \$52 Billion was lost to fraud, abuse and improper billing in 2017!!

---

<sup>2</sup> <https://www.identitytheft.gov/>

<sup>3</sup> <http://victimsofcrime.org/docs/default-source/financial-fraud/victimrecoverychecklists.pdf?sfvrsn=4>

<sup>4</sup> <https://kfor.com/2019/05/09/in-your-corner-team-investigates-free-dna-testing/>

<sup>5</sup> <https://www.wthr.com/article/13-investigates-fraud-alert-dna-and-cancer-testing-kits-linked-medicare-scams>

<sup>6</sup> <https://www.nbcnews.com/health/aging/genetic-testing-scam-targets-seniors-rips-medicare-n1037186>

<sup>7</sup> <https://oig.hhs.gov/fraud/consumer->

[alerts/alerts/genetic scam.asp?utm\\_source=website&utm\\_campaign=genetic scam](alerts/alerts/genetic scam.asp?utm_source=website&utm_campaign=genetic scam)

<sup>8</sup> <https://content.govdelivery.com/accounts/OKOID/bulletins/24ae9d6>

In addition to individuals' Medicare numbers, in order to bill Medicare for services provided to Medicare-eligible recipients, the entity providing those products and or services must have a **“provider number.”** This number is highly sought after by criminals obviously for fraudulent purposes. Like any of our other critical information, it can be compromised (stolen) through various means and sold on the Internet for scams such as this one. And in some cases, sadly, there can be complicit, licensed medical professionals involved in the scheme.

Anytime the government announces it will start paying for a new product or service for Medicare recipients, that is when the fraudsters come out of the woodwork, putting their own spins on whatever the program, service or product may be in order to fool the public into providing them with their valuable personal information so that they may commit financial crimes with it.

More recently, with significant advancements in genetic testing for medical uses, these tests are becoming readily available direct-to-the-public to help individuals assess the presence of certain genetic markers that **may** indicate a **potential propensity** to develop, or pass along those traits to your heirs, certain health conditions such as Alzheimer's Disease, diabetes, heart disease, some forms of cancer, other health conditions, etc. [According to the AARP's Fraud Watch Network Helpline](#)<sup>9</sup>, there has been, *“an uptick in complaints about the so-called buccal swab tests, which involve collecting DNA from cells inside a person's cheek to screen for cancer, began after Medicare issued guidance on March 16 (I believe that was in 2018, not 2019), saying it would cover, on a national basis, a Food and Drug Administration–approved genetic test for patients with advanced cancer, ...”*.

Not to let a new and beneficial industry and Medicare-covered service go untainted, criminals have already moved in and are putting their twist on these services in order to:

- Take peoples' money by charging them for testing not covered by insurance or Medicare
- Get their critical personal information (for identity theft)
- Get credit card/bank account numbers (for financial theft)
- Get new Medicare card numbers (for Medicare fraud)

These last 3 items can also, and probably will, be sold on the Dark Web/Invisible Web, causing the individuals to be repeatedly victimized over extended periods of time and create other problems for them.

To further confuse the issue, in addition to the outright fraudsters, some apparently legitimate testing companies are engaging in activities which may not necessarily be illegal, but are ethically questionable business practices when it comes to marketing their products and services by using images of Medicare cards in their promotional materials that would lead a reasonable person to believe that all these tests are covered by Medicare and, in some cases, may even so state in their promotional literature.

These companies usually employ the services of “independent sales consultants” who are not direct employees, but are in some manner contractually affiliated with the testing company and set up shop at local health fairs, assisted living communities, shopping malls, etc., in order to promote and sell the testing companies' products and services and gather personal information for future sales and marketing purposes. They may even advertise on social media, contact you

---

<sup>9</sup> <https://www.aarp.org/money/scams-fraud/info-2019/dna-testing-scam.html>

through unsolicited robo-calls, and even offer to come to your home to gather a DNA sample and your personal information.

These consultants/contractors may or may not be licensed nursing or medical professionals and their business may or may not be registered with the Secretary of State or respective governmental licensure/oversight authority in your state. In some cases, they may even be unwitting participants in this scam, lured in by the fraudsters with promises of quick money in exchange for “*helping get the word out to the public for this beneficial new program paid for by Medicare.*” And, in some cases, they cannot be absolutely clear and may give inaccurate, incomplete or misleading information regarding:

- Specifically, which tests are eligible for coverage by Medicare or private insurance?
- That a state-licensed, medical doctor (MD) must order them in order to be covered
- What is done with your DNA sample after testing?
- Who owns your DNA test results?
- Where, how and for how long are your DNA test result records maintained?
- Who will have access to your DNA test results and under what circumstances?
- What their privacy policy is?
- What their third-party disclosure policy (sell your information to marketing firms) is?

Beware, these people can be very polished, slick talkers and prey upon your emotions, fears and your sense of duty to your family have these tests to find out this vital health information.

What it all boils down to is money, of course, and who pays for these tests, which can run into the **tens of thousands of dollars**. The bottom line is that Medicare and most insurance carriers will **ONLY** pay for a very few specific tests and **ONLY in EXTREMELY LIMITED CIRCUMSTANCES**.

[According to this article from AARP](#)<sup>10</sup>,

*“Eligible patients are those with recurrent, relapsed, drug-resistant, metastatic, or stage III or IV cancer, and they must be seeking further cancer treatment, such as chemotherapy, the Centers for Medicare and Medicaid Services says.”*

[According to this article from FORCE](#):<sup>11</sup>

*“Under Medicare’s guidelines, BRCA1 and BRCA2 genetic testing is covered for people with:*

1. *A personal history of breast cancer, with one or more of the following:*
  - *diagnosed at or before age 45, with or without family history*
  - *diagnosed at or before age 50 or two breast primaries, with 1 or more close blood relative(s) with breast cancer diagnosed at or before age 50 or 1 or more close blood relative(s) with ovarian cancer/fallopian tube/primary peritoneal cancer*
  - *two breast primaries when first breast cancer diagnosis occurred prior to age 50*

---

<sup>10</sup> <https://www.aarp.org/money/scams-fraud/info-2019/dna-testing-scam.html>

<sup>11</sup> [https://www.facingourrisk.org/understanding-brca-and-hboc/information/finding-health-care/paying\\_for\\_testing/basics/medicare\\_and\\_genetic\\_testing.php#text](https://www.facingourrisk.org/understanding-brca-and-hboc/information/finding-health-care/paying_for_testing/basics/medicare_and_genetic_testing.php#text)

- *diagnosed at any age, with 2 or more close blood relatives with breast and/or epithelial ovarian/fallopian tube/primary peritoneal cancer, at any age*
  - *close male blood relative with breast cancer*
  - *personal history of epithelial ovarian/fallopian tube/primary peritoneal cancer*
  - *of a certain ethnicity associated with higher mutation frequency, (eg, founder populations of Ashkenazi Jewish, Icelandic, Swedish, Hungarian or other) no additional family history required*
  - *a close relative with a known BRCA1 or BRCA2 gene mutation*
2. *Personal history of epithelial ovarian/fallopian tube/primary peritoneal cancer.*
  3. *Personal history of male breast cancer.*

*Medicare operates on a regional system in which Medicare Area Contractors (MACs) manage the provision of health services for a specific jurisdiction. In the spring of 2015, four MACs expanded their coverage to better align their services with National Comprehensive Cancer Network (NCCN) guidelines in a number of important areas, including:*

- *Expanding coverage of genetic testing for individuals who have or had cancer consistent with hereditary cancer syndromes, including men diagnosed with prostate cancer and men and women diagnosed with pancreatic cancer,*
- *Coverage of multigene testing panels if more than one mutation may be indicated, and*
- *Clarification of the BRCA testing policy for use of the targeted therapy, Lynparza (olaparib).*

*It is important to note that these policy changes apply only to states covered by the four MACs: Arkansas, Arizona, California, Hawaii, Idaho, Kentucky, Montana, Nevada, North Carolina, North Dakota, Ohio, Oregon, South Carolina, South Dakota, Utah, Virginia, Washington, West Virginia and Wyoming*

*Medicare does not currently cover the cost of genetic testing in individuals who do not have a personal history of cancer.*

*Updated 06/22/2018”*

**Note:** BRCA refers to 2 genes, BRCA1 and BRCA2. Mutations in these genes cause and increased risk for breast, ovarian, prostate, pancreatic and melanoma cancers.<sup>12</sup>

See other reference articles below.

Medical doctors are free to order any tests they wish, but again, the question is, are those tests covered by Medicare and or your insurance carrier? If you want or think you need medical DNA testing for cancer or some other disease, it can be done safely by **only** discussing it, **in person**, with your primary care/family medical doctor or attending specialist (medical doctor) first. [See](#)

<sup>12</sup> [https://www.facingourrisk.org/understanding-brca-and-hboc/information/finding-health-care/paying\\_for\\_testing/basics/medicare\\_and\\_genetic\\_testing.php#text](https://www.facingourrisk.org/understanding-brca-and-hboc/information/finding-health-care/paying_for_testing/basics/medicare_and_genetic_testing.php#text)

[the criteria here directly from Medicare](#)<sup>13</sup> and [this warning](#)<sup>14</sup>. He or she will know if the testing is warranted and whether it will be covered by Medicare and or other insurance carriers. If there are any doubts, get a second opinion from another medical doctor and contact Medicare and or your insurance carrier directly (numbers are on the backs of your respective ID cards) before the testing is ordered. If there is any further doubt regarding coverage, get a written statement from your insurance carrier detailing which specific tests are covered and your net costs after deductibles, co-pays, etc. Again, keep in mind that this testing can be extremely expensive and can run into the **tens of thousands of dollars!**

Since just about anyone reading this has received some kind of medical treatment before at your doctor's office, hospital, clinic or other state-licensed medical facility, you should be familiar with one of the documents you have to sign before being treated and that is a **"Notice of Non-Coverage,"** which essentially states that if insurance or Medicare doesn't pay for the services and testing rendered, then **YOU** will be responsible for the entire bill or portion of it that is not covered by your carrier. If you cannot pay or the creditor is unwilling to set you up on a reasonable payment plan, then the debt is usually reported to the Big 3 credit reporting agencies, impacting your credit score (and thus your ability to get credit and or reasonable interest rates on future credit), turned over to collections and you may be pulled into court and sued and all this creates even more financial and emotional stress on you.

#### **WHAT TO LOOK OUT FOR:**

- Mobile testing sites (such as an unmarked van in a parking lot) where they swab your cheek for low or no-cost, or even pay you in some cases with cash, gift cards or other items of value, ostensibly to do genetic testing, but are just vacuuming up personal and financial information to be used for fraudulent purposes.
- Unsolicited telephone (robo) calls saying their doctor said they are eligible for the free test and if the doctor prescribes it, Medicare will foot the bill and all you have to do is provide your Medicare card number, credit card number, or bank account number and shipping address for the testing kit to be delivered. Or they may even offer to come to your house to collect the sample.
- Exhibitors at senior centers, low-income housing, health fairs, assisted living communities, shopping malls, homeless shelters, etc., where details on the testing specifics are vague or unknown and may use images of Medicare cards in their promotional materials, leading the public to think all tests are covered by Medicare, when in fact, they are not.
- Ads similar to the above received via social media, e-mail, post cards, other mailings, etc.

#### **WHAT TO DO IF YOU ARE CONTACTED OR ARE A VICTIM:**

Medicare, local, state and federal law enforcement and regulatory agencies have taken notice of this growing problem and are working rapidly to get the information out to public. Medicare fraud is a huge problem, so it is imperative that you:

- Establish a **MyMedicare** account at <https://www.mymedicare.gov/> so you can quickly review your statements for accuracy and get assistance if needed.

---

<sup>13</sup> <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/ProviderComplianceTipsforLaboratoryTests-ICN909407.pdf>

<sup>14</sup> <https://localtvkfor.files.wordpress.com/2019/05/eob-genetic-testing-fraud.pdf>

- Safeguard your Medicare account number (don't give it out to anyone other than your state-licensed doctor, hospital or medical clinic). It is now recommended that you don't even carry your Medicare ID card on your person at all anymore. If needed for an emergency, you can always provide it after-the-fact.
- Keep a detailed log of each doctor's visit and review/reconcile your log with your Medicare MSN (Medicare Summary Notice) and EOB (Explanation of Benefits) statements for accuracy and report any suspected fraud, double-billing, incorrect billing/coding, etc. It is imperative that this record accurately reflects the treatments, medications and any DME (Durable Medical Equipment) you have received so you won't be given incorrect medical treatments or denied coverage in the future.
- Do not accept any testing kits in the mail, make note of the address of the sender, time and date you returned it.
- Refuse any offers of "free" genetic testing.
- Immediately report any contact of a suspicious nature, improper billing, fraud to **ALL** of the following and keep a record of the times, dates and persons with whom you spoke and be sure to let them know which agencies you have already reported to and or are going to report to:
  - Medicare 800-MEDICARE (800-633-4227)]
  - Your state insurance department/commission
  - Your state attorney general's office
  - [U.S. Dept of Health & Human Services, Office of Inspector General](#)<sup>15</sup>, 800-HHS TIPS (800-447-8477)
  - [The SMP \(Senior Medicare Patrol\)](#)<sup>16</sup>, 877-808-2468
  - [SHIP \(State Health Insurance Assistance Program\)](#),<sup>17</sup> 877-839-2675
  - [AARP's Fraud Watch Network Helpline](#),<sup>18</sup> 877-908-3360
  - Spread the word to your family and friends!!!

**A final tip:** When seeking any type of medical care, is it not enough to be sure that a medical provider accepts your insurance – you must also ensure that they are **in your network** in order to receive maximum coverage from your policy. To complicate matters, some facilities (in your network) may contract with 3<sup>rd</sup> party medical contractor groups (anesthesiologist, radiologists, various therapy providers, etc.), who work **within your in-network facility**, but they themselves are **not** in your network (although they may still accept your insurance). Yes, it is confusing, but the easiest way to avoid this pitfall is to make sure that **all** individuals providing you with medical care accept your insurance **and** are **in your network**. [Related story here.](#)<sup>19</sup> If you encounter problems immediately contact your respective state's insurance department and or attorney general's office for assistance.

<sup>15</sup> <https://oig.hhs.gov/fraud/report-fraud/>

<sup>16</sup> <https://www.smpresource.org/>

<sup>17</sup> <https://www.shiptacenter.org/>

<sup>18</sup> <https://www.aarp.org/fraudwatchnetwork>

<sup>19</sup> <https://news4sanantonio.com/news/trouble-shooters/medical-bills/trouble-shooters-help-local-woman-reduce-surprise-medical-bill-by-22000>

## Please see the following articles and websites for more information:

['Free' DNA Testing Used to Scam Medicare Recipients – AARP, 4-19-2019](#)<sup>20</sup>

[Scammers May Be Using DNA Testing to Defraud Medicare and Steal Identities - Bloomberg, 4-17-2019](#)<sup>21</sup>

[Potential Fraud Alert: Cancer & Genetic Screening Offer – MO Assn of Area Agencies on Aging, 2019](#)<sup>22</sup>

[Genetic Testing Scams – Agency on Aging of South Central Connecticut, 4-12-2019](#)<sup>23</sup>

[Genetic Testing Fraud – Nolan, Auerbach & White](#)<sup>24</sup>

[Selling Genetic Testing Kits? Read on. – Federal Trade Commission, 3-21-2019](#)<sup>25</sup>

[Direct-to-Consumer Genetic Tests – Federal Trade Commission](#)<sup>26</sup>

[Genetic Testing for Inherited Cancer Susceptibility Syndromes – National Cancer Institute, 3-15-2019](#)<sup>27</sup>

[Does Medicare Cover Genetic Testing? – Medicare Supplement](#)<sup>28</sup>

[Does Medicare Cover Genetic Testing or is It Fraud? – Louisville/Jefferson County, KY Metro](#)<sup>29</sup>

[Insights on Medicare Genetic DNA Testing Fraud – Agent Survival Guide March, 2019](#)<sup>30</sup>

[With Medicare Support, Genetic Cancer Testing Goes Mainstream – Wired, 3-20-2018](#)<sup>31</sup>

[Somerset County, New Jersey, Man Charged with Using Bogus Non-Profit to Deceive Seniors Into Unnecessary Genetic Testing – U.S. Attorney's Office-District of New Jersey, 12-2-2015](#)<sup>32</sup>

---

<sup>20</sup> <https://www.aarp.org/money/scams-fraud/info-2019/dna-testing-scam.html>

<sup>21</sup> <https://www.bloomberg.com/news/articles/2019-04-17/scam-dna-tests-may-be-new-target-for-health-fraud-states-warn>

<sup>22</sup> <http://www.ma4web.org/news/potential-fraud-alert-cancer-genetic-screening-offer>

<sup>23</sup> <https://www.aoscc.org/news/genetic-testing-scams/>

<sup>24</sup> <https://www.whistleblowerfirm.com/healthcare-fraud/genetic-testing-fraud/>

<sup>25</sup> <https://www.ftc.gov/news-events/blogs/business-blog/2019/03/selling-genetic-testing-kits-read>

<sup>26</sup> <https://www.consumer.ftc.gov/articles/0166-direct-consumer-genetic-tests>

<sup>27</sup> <https://www.cancer.gov/about-cancer/causes-prevention/genetics/genetic-testing-fact-sheet>

<sup>28</sup> <https://www.medicare supplement.com/content/does-medicare-cover-genetic-testing/>

<sup>29</sup> <https://content.govdelivery.com/accounts/KYLOUISVILLE/bulletins/ec9d06>

<sup>30</sup> <https://agentsurvivalguide.com/insights-on-medicare-genetic-dna-testing-fraud>

<sup>31</sup> <https://www.wired.com/story/with-medicare-support-genetic-cancer-testing-goes-mainstream/>

<sup>32</sup> <https://www.justice.gov/usao-nj/pr/somerset-county-new-jersey-man-charged-using-bogus-non-profit-deceive-seniors-unnecessary>



[Provider Compliance Tips for Laboratory Tests-Other \(Non-Medicare Fee Schedule\) – Medicare Learning Network – February 2018](#)<sup>33</sup>

[Genetic Tests Must Be Ordered By Your Doctor to Be Covered by Medicare – Centers for Medicare and Medicaid Services](#)<sup>34</sup>

[AARP's Learn@50+ webinars](#)<sup>35</sup>

[AARP's Fraud Watch Network](#)<sup>36</sup>

[AARP's "The Perfect Scam" podcasts at their website](#)<sup>37</sup> or via the [Stitcher](#)<sup>38</sup>, [Spotify](#)<sup>39</sup> or [Apple iTunes](#)<sup>40</sup> apps on your smart device.

**AARP's Bi-Weekly Text Alerts for Latest Scams: Sign up by texting FWN to 50757.**

[AMAC \(Association of Mature American Citizens\)](#)<sup>41</sup>

For more information, please see my **[Special Report: Identity Theft, Financial Fraud and Cyber-Crime – Problems, Solutions and Mitigation Strategies](#)** on the [Publications page of my website](#)<sup>42</sup>.

***Disclaimer Summary:** The information in this publication was obtained from various sources. While it is believed to be reliable and accurate, Magnus Omnicorps, LLC does not warrant the accuracy or reliability of the information. This publication is for informational purposes only and is far from all-inclusive or a complete review of the topics discussed. These suggestions are not a complete list of every loss control measure. Use this information at your own risk and discretion. Magnus Omnicorps, LLC makes no guarantees of results from use of this information and assumes no liability in connection with the information nor the suggestions made. **The author is not an attorney or medical doctor and does not give legal or medical advice.** If you need legal or medical advice, contact a competent, licensed attorney or medical doctor who specializes in the area of law or medicine in which you need assistance.*

---

<sup>33</sup> <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/ProviderComplianceTipsforLaboratoryTests-ICN909407.pdf>

<sup>34</sup> <https://localtvkfor.files.wordpress.com/2019/05/eob-genetic-testing-fraud.pdf>

<sup>35</sup> <https://learn.aarp.org/>

<sup>36</sup> <https://www.aarp.org/money/scams-fraud/>

<sup>37</sup> <https://www.aarp.org/podcasts/the-perfect-scam/>

<sup>38</sup> <https://www.stitcher.com/podcast/aarp-2/the-perfect-scam>

<sup>39</sup> <https://open.spotify.com/show/1HhgxCadyWTQ09MiqQ136u>

<sup>40</sup> <https://podcasts.apple.com/us/podcast/the-perfect-scam/id1362050907>

<sup>41</sup> <https://amac.us/>

<sup>42</sup> <http://www.magnusomnicorps.com/publications.html>